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September 19, 2002

REC'D S.E.C.

SEP 19 2002

File No. 82-2337

1086

VIA HAND

Securities and Exchange Commission
Division of Corporation Finance
Office of International Corporate Finance
450 Fifth Street, N.W.
Washington, D.C. 20549

SUPPL

Re: Disclosure Materials Provided on Behalf of I.E.M. S.A. de C.V. (File No. 82-2337) Pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")

Ladies and Gentlemen:

On behalf of our client, I.E.M., S.A. de C.V. (the "Company") and pursuant to the Company's obligations under Rule 12g3-2(b)(1)(i) under the Exchange Act, we are furnishing the enclosed English translation of the Company's consolidated quarterly report for the second quarter of 2002.

If you have any questions or require any further information, please do not hesitate to contact the undersigned or Jorge U. Juantorena of this firm at (212) 225-2000.

Please acknowledge receipt of this letter and the enclosure by stamping the enclosed copy of this letter and returning it to our messenger.

Sincerely,

Mitchell Raab

PROCESSE

SEP 24 2002

THOMSON
FINANCIAL

Enclosure

cc: Lic. Alejandro Archundia
Jorge U. Juantorena

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: IEM
IEM, S.A. DE C.V.

Quarter: 3rd Year: 2002

SEP 19 2002

CONSOLIDATED FINANCIAL STATEMENT

AT JUNE 30 OF 2002 AND 2001

(Thousands of Pesos)

Finan@Printing

REF S	CONCEPTS	QUARTER OF PRESENT		QUARTER OF PREVIOUS	
		Amount	%	Amount	%
1	TOTAL ASSETS	723,647	100	723,673	100
2	CURRENT ASSETS	447,694	62	435,188	60
3	CASH AND SHORT-TERM INVESTMENTS	114,808	16	105,430	15
4	ACCOUNTS AND DOCUMENTS RECEIVABLE (NET)	142,003	20	196,793	27
5	OTHER ACCOUNTS AND DOCUMENTS RECEIVABLE	7,164	1	9,227	1
6	INVENTORIES	183,719	25	123,738	17
7	OTHER CURRENT ASSETS	0	0	0	0
8	LONG-TERM	0	0	0	0
9	ACCOUNTS AND DOCUMENTS RECEIVABLE (NET)	0	0	0	0
10	INVESTMENT IN SHARES OF SUBSIDIARIES				
	AND NON-CONSOLIDATED	0	0	0	0
11	OTHER	0	0	0	0
12	PROPERTY, PLANT AND EQUIPMENT	271,534	38	281,979	39
13	PROPERTY	363,906	50	361,657	50
14	MACHINERY AND INDUSTRIAL	358,310	50	338,994	47
15	OTHER EQUIPMENT	33,385	5	38,508	5
16	ACCUMULATED DEPRECIATION	525,007	73	496,894	69
17	CONSTRUCTION IN PROGRESS	40,940	6	39,714	5
18	DEFERRED ASSETS (NET)	4,419	1	6,506	1
19	OTHER ASSETS	0	0	0	0
20	TOTAL LIABILITIES	351,748	100	347,251	
21	CURRENT LIABILITIES	283,124	80	268,084	77
22	SUPPLIERS	30,374	9	22,850	7
23	BANK LOANS	0	0	0	0
24	STOCK MARKET LOANS	0	0	0	0
25	TAXES TO BE PAID	883	0	5,168	1
26	OTHER CURRENT LIABILITIES	251,867	72	240,066	69
27	LONG-TERM LIABILITIES	0	0	0	0
28	BANK LOANS	0	0	0	0
29	STOCK MARKET LOANS	0	0	0	0
30	OTHER LOANS	0	0	0	0
31	DEFERRED LOANS	68,624	20	64,308	19
32	OTHER LIABILITIES	0	0	14,859	4
33	CONSOLIDATED STOCK HOLDERS' EQUITY	371,899	100	376,422	
34	MINORITY INTEREST	553		754	
35	MAJORITY INTEREST	371,346	100	375,668	100
36	CONTRIBUTED CAPITAL	553,887	149	553,887	147
37	PAID-IN CAPITAL STOCK (NOMINAL)	15,688	4	15,688	4
38	RESTATEMENT OF PAID-IN CAPITAL STOCK	538,199	145	538,199	143
39	PREMIUM ON SALES OF SHARES	0	0	0	0
40	CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES	0	0	0	0
41	CAPITAL INCREASE (DECREASE)	(182,541)	(49)	(178,219)	(47)
42	RETAINED EARNINGS AND CAPITAL RESERVE	341,875	92	342,102	91
43	REPURCHASE FUND OF SHARES	0	0	0	0
44	EXCESS (SHORTFALL) IN RESTATEMENT OF HOLDERS' EQUITY	(526,986)	(142)	(530,813)	(141)
45	NET INCOME FOR THE YEAR	2,570	1	10,492	3

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: IEM
IEM, S.A. DE C.V.

QUARTER:2

YEAR2002

CONSOLIDATED FINANCIAL STATEMENT
BREAKDOWN OF MAIN CONCEPTS
(Thousands of Pesos)

Final Printing

REF S	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR		QUARTER OF PREVIOUS FINANCIAL YEAR	
		Amount	%	Amount	%
3	CASH AND SHORT-TERM INVESTMENTS	114,808	100	105,430	100
46	CASH	7,857	7	5,393	5
47	SHORT-TERM	106,951	93	100,037	95
18	DEFERRED ASSETS (NET)	4,419	100	6,506	100
48	AMORTIZED OR REDEEMED EXPENSES	4,419	100	6,506	100
49	GOODWILL	0	0	0	0
50	DEFERRED TAXES	0	0	0	0
51	OTHERS	0	0	0	0
21	CURRENT LIABILITIES	283,124	100	268,084	100
52	FOREING CURRENCY	49,085	17	21,338	8
53	MEXICAN PESOS LIABILITIES	234,039	83	246,746	92
24	STOCK MARKET LOANS	0	100	0	100
54	COMMERCIAL PAPER	0	0	0	0
55	CURRENT MATURITIES OF MEDIUM TERM	0	0	0	0
56	CURRENT MATURITIES OF BONDS	0	0	0	0
26	OTHER CURRENT LIABILITIES	251,867	100	240,066	100
57	OTHER CURRENT LIABILITIES WITH COST	165,075	66	194,929	81
58	OTHER CURRENT LIABILITIES WITHOUT COST	86,792	34	45,137	19
27	LONG-TERM LIABILITIES	0	100	0	100
59	FOREING CURRENCY	0	0	0	0
60	MEXICAN PESOS	0	0	0	0
29	STOCK MARKET LOANS	0	100	0	100
61	BONDS	0	0	0	0
62	MEDIUM TERM NOTES	0	0	0	0
30	OTHER LOANS	0	100	0	100
63	OTHER LOANS WITH COST	0	0	0	0
64	OTHER LOANS WITHOUT COST	0	0	0	0
31	DEFERRED LOANS	68,624	100	64,308	100
65	NEGATIVE GOODWILL	0	0	0	0
66	DEFERRED TAXES	68,624	100	64,308	100
67	OTHERS	0	0	0	0
32	OTHER LIABILITIES	0	100	14,859	100
68	RESERVES	0	0	0	0
69	OTHERS LIABILITIES	0	0	14,859	100
44	EXCESS (SHORTFALL) IN RESTATEMENT OF STOCK HOLDERS' EQUITY	(526,986)	100	(530,813)	100
70	ACCUMULATED INCOME DUE TO MONETARY	0	0	0	0
71	INCOME FROM NON-MONETARY POSITION	(526,986)	(100)	(530,813)	(100)

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: IEM
IEM, S.A. DE C.V.

QUARTER2 YEAR2002

CONSOLIDATED FINANCIAL STATEMENT
OTHER CONCEPTS
(Thousands of Pesos)

Final Printing

REF	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR	QUARTER OF PREVIOUS FINANCIAL YEAR
S		Amount	Amount
72	WORKING CAPITAL	164,570	167,104
73	PENSIONS FUND AND SENIORITY	70,201	63,870
74	EXECUTIVES (*)	21	21
75	EMPLOYERS (*)	307	358
76	WORKERS (*)	906	903
77	CIRCULATION SHARES	32,415,713	32,415,713
78	REPURCHASED SHARES	0	0

(*) THESE CONCEPTS SHOULD BE EXPRESSED IN UNITS.

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODBEM
IEM, S.A. DE C.V.

QUARTER:2

YEAR:2002

CONSOLIDATED EARNING STATEMENT
FROM JANUARY THE 1st TO JUNE 30 OF 2002 AND 2001
(Thousands of Pesos)

Final Printing

REF R	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR		QUARTER OF PREVIOUS FINANCIAL YEAR	
		Amount	%	Amount	%
1	NET SALES	372,538	100	365,032	100
2	COST OF SALES	325,974	88	307,805	84
3	GROSS INCOME	46,564	12	57,227	16
4	OPERATING COSTS	28,424	8	29,548	8
5	OPERATING INCOME	18,140	5	27,679	8
6	TOTAL FINANCING COSTS	7,807	2	7,843	2
7	INCOME AFTER FINANCING COST	10,333	3	19,836	5
8	OTHER FINANCIAL OPERATIONS	(580)	0	(2,032)	(1)
9	INCOME BEFORE TAXES AND WORKERS' PROFIT SHARING	10,913	3	21,868	6
10	RESERVE FOR TAXES AND WORKERS' PROFIT SHARING	8,343	2	11,376	3
11	NET INCOME AFTER TAXES AND WORKERS' PROFIT SHARING	2,570	1	10,492	3
12	SHARE IN NET INCOME OF SUBSIDIARIES AND NON-CONSOLIDATED ASSOCIATES	0	0	0	0
13	CONSOLIDATED NET INCOME OF CONTINUOUS OPARATION	2,570	1	10,492	3
14	INCOME OF DISCONTINUOUS OPERATIONS	0	0	0	0
15	CONSOLIDATED NET INCOME BEFORE EXTRAORDINARY ITEMS	2,570	1	10,492	3
16	EXTRAORDINARY ITEMS NET EXPENSES	0	0	0	0
17	NET EFFECT AT THE BEGINNING OF THE YEAR CHANGES IN ACCOUNTING PRINCIPLES	0	0	0	0
18	NET CONSOLIDATED INCOME	2,570	1	10,492	3
19	NET INCOME OF MINORITY INTEREST				
20	NET INCOME OF MAJORITY INTEREST	2,570	1	10,492	3

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE IEM
IEM, S.A. DE C.V.

QUARTER: 2

2002

CONSOLIDATED EARNING STATEMENT
BREAKDOWN OF MAIN CONCEPTS
(Thousands of Pesos)

Final Printing

REF R	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR		QUARTER OF PREVIOUS FINANCIAL YEAR	
		Amount	%	Amount	%
1	NET SALES	372,538	100	365,032	100
21	DOMESTIC	355,893	96	329,087	90
22	FOREIGN	16,645	4	35,945	10
23	TRANSLATED INTO DOLLARS	1,763	0	3,603	1
6	TOTAL FINANCING COST	7,807	100	7,843	100
24	INTEREST PAID	7,559	97	12,716	162
25	EXCHANGE LOSSES	11,407	146	9,598	122
26	INTEREST EARNED	3,976	51	7,623	97
27	EXCHANGE PROFITS	7,727	99	8,057	103
28	GAIN DUE TO MONETARY	544	7	1,209	15
8	OTHER FINANCIAL OPERATIONS	(580)	100	(2,032)	100
29	OTHER NET EXPENSES (INCOME)	(580)	(100)	(2,032)	(100)
30	(PROFIT) LOSS ON SALE OF OWN SHARES	0	0	0	0
31	(PROFIT) LOSS ON SALE OF SHORT-TERM	0	0	0	0
10	RESERVE FOR TAXES AND WORKERS' PROFIT SHARING	8,343	100	11,376	100
32	INCOME TAX	1,816	22	10,539	93
33	DEFERED INCOME TAX	4,978	60	(1,232)	(11)
34	WORKERS' PROFIT SHARING	15	0	2,435	21
35	DEFERED WORKERS' PROFIT SHARING	1,534	18	(366)	(3)

(**) THOUSANDS OF DOLLARS

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**

STOCK EXCHANGE CODBEM
IEM, S.A. DE C.V.

QUARTER:2

YEAR:2002

**CONSOLIDATED EARNING STATEMENT
OTHER CONCEPTS
(Thousands of Pesos)**

Final Printing

REF R	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR Amount	QUARTER OF PREVIOUS FINANCIAL YEAR Amount
36	TOTAL SALES	384,877	382,694
37	NET INCOME OF THE YEAR	(24,643)	28,605
38	NET SALES (**)	650,334	991,636
39	OPERATION INCOME (**)	9,337	136,256
40	NET INCOME OF MAYORITY INTEREST(**)	(1,247)	51,285
41	NET CONSOLIDATED INCOME	(1,247)	51,591

(**) THE RESTATED INFORMATION ON THE LAST TWELVE MONTHS SHOULD BE

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**

STOCK EXCHANGE CODBEM
IEM, S.A. DE C.V.

QUARTER: 2

YEAR 2002

**CONSOLIDATED FINANCIAL STATEMENT
FROM JANUARY THE 1st TO JUNE 30 OF 2002 AND 2001
(Thousands of Pesos)**

Final Printing

REF C	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR	QUARTER OF PREVIOUS FINANCIAL YEAR
		Amount	Amount
1	CONSOLIDATED NET INCOME	2,570	10,492
2	+(-) ITEMS ADDED TO INCOME WHICH DO REQUIRE USING CASH	9,822	10,608
3	CASH FLOW FROM NET INCOME OF THE YEAR	12,392	21,100
4	CASH FLOW FROM CHANGE IN WORKING CAPITAL	5,003	11,965
5	CASH GENERATED (USED) IN OPERATING ACTIVITIES	17,395	33,065
6	CASH FLOW FROM EXTERNAL FINANCING	0	0
7	CASH FLOW FROM INTERNAL FINANCING	0	0
8	CASH FLOW GENERATED (USED) BY FINANCING	0	0
9	CASH FLOW GENERATED (USED) IN INVESTMENT ACTIVITIES	(8,017)	(20,320)
10	NET INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS	9,378	12,745
11	CASH AND SHORT-TERM INVESTMENTS AT BEGINNING OF PERIOD	105,430	92,685
12	CASH AND SHORT-TERM INVESTMENTS AT THE END OF PERIOD	114,808	105,430

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**

STOCK EXCHANGE CODBEM
IEM, S.A. DE C.V.

QUARTER: 2

2002

**CONSOLIDATED FINANCIAL STATEMENT
BREAKDOWN OF MAIN CONCEPTS
(Thousands of Pesos)**

Final Printing

REF	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR	QUARTER OF PREVIOUS FINANCIAL YEAR
C		Amount	Amount
2	+ (-) ITEMS ADDED TO INCOME WHICH DO NOT REQUIRE USING CASH	9,822	10,608
13	DEPRECIATION AND AMORTIZATION FOR THE	9,822	10,608
14	+ (-) NET INCREASE (DECREASE) IN PENSIONS AND SENIORITY PREMIUMS	0	0
15	+ (-) NET LOSS (PROFIT) IN MONEY	0	0
16	+ (-) NET LOSS (PROFIT) IN ASSETS AND LIABILITIES ACTUALIZATION	0	0
17	+ (-) OTHER ITEMS	0	0
4	CASH FLOW FROM CHANGE IN WORKING CAPITAL	5,003	11,965
18	+ (-) DECREASE (INCREASE) IN ACCOUNT	54,790	16,909
19	+ (-) DECREASE (INCREASE) IN INVENTORIES	(59,981)	35,245
20	+ (-) DECREASE (INCREASE) IN OTHER RECEIVABLE	2,063	(5,389)
21	+ (-) INCREASE (DECREASE) IN SUPPLIER	7,524	(21,643)
22	+ (-) INCREASE (DECREASE) IN OTHER	607	(13,157)
6	CASH FLOW FROM EXTERNAL FINANCING	0	0
23	+ SHORT-TERM BANK AND STOCK MARKET	0	0
24	+ LONG-TERM BANK AND STOCK MARKET	0	0
25	+ DIVIDEND RECEIVED	0	0
26	+ OTHER FINANCING	0	0
27	(-) BANK FINANCING AMORTIZATION	0	0
28	(-) STOCK MARKET AMORTIZATION	0	0
29	(-) OTHER FINANCING AMORTIZATION	0	0
7	CASH FLOW FROM INTERNAL FINANCING	0	0
30	+ (-) INCREASE (DECREASE) IN CAPITAL	0	0
31	(-) DIVIDENDS PAID	0	0
32	+ PREMIUM ON SALE OF SHARES	0	0
33	+ CONTRIBUTION FOR FUTURE CAPITAL	0	0
9	CASH FLOW GENERATED (UTILIZED) IN INVESTMENT ACTIVITIES	(8,017)	(20,320)
34	+ (-) DECREASE (INCREASE) IN STOCK INVESTMENT OF A PERMANENT NATURE	0	0
35	(-) ACQUISITION OF PROPERTY, PLANT AND	(15,206)	(4,387)
36	(-) INCREASE IN CONSTRUCTIONS IN	7,189	(15,933)
37	+ SALE OF OTHER PERMANENT	0	0
38	+ SALE OF TANGIBLE FIXED ASSETS	0	0
39	+ (-) OTHER ITEMS	0	0

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**

STOCK EXCHANGE CODE: BEM
IEM, S.A. DE C.V.

QUARTER 2

2002

**RATIOS
CONSOLIDATED**

Final Printing

REF P	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR	QUARTER OF PREVIOUS FINANCIAL YEAR
	YIELD		
1	NET INCOME TO NET SALES	0.69 %	2.87 %
2	NET INCOME TO STOCK HOLDERS' EQUITY (**)	(0.34) %	13.65 %
3	NET INCOME TO TOTAL ASSETS (**)	(0.17) %	7.13 %
4	CASH DIVIDENDS TO PREVIOUS YEAR NET INCOME	0.00 %	0.00 %
5	INCOME DUE TO MONETARY POSITION TO NET INCOME	(21.17) %	(11.52) %
	ACTIVITY		
6	NET SALES TO NET ASSETS (**)	0.90 times	1.37 times
7	NET SALES TO FIXED ASSETS (**)	2.40 times	3.52 times
8	INVENTORIES ROTATION (**)	3.17 times	6.36 times
9	ACCOUNTS RECEIVABLE IN DAYS OF SALES	60 days	84 days
10	PAID INTEREST TO TOTAL LIABILITIES WITH COST (**)	0.00 %	0.00 %
	LEVERAGE		
11	TOTAL LIABILITIES TO TOTAL ASSETS	48.61 %	47.98 %
12	TOTAL LIABILITIES TO STOCK HOLDERS' EQUITY	0.95 times	0.92 times
13	FOREIGN CURRENCY LIABILITIES TO TOTAL LIABILITIES	13.95 %	6.14 %
14	LONG-TERM LIABILITIES TO FIXED ASSETS	0.00 %	0.00 %
15	OPERATING INCOME TO INTEREST PAID	2.40 times	2.18 times
16	NET SALES TO TOTAL LIABILITIES (**)	1.85 times	2.86 times
	LIQUIDITY		
17	CURRENT ASSETS TO CURRENT LIABILITIES	1.58 times	1.62 times
18	CURRENT ASSETS LESS INVENTORY TO CURRENT LIABILITIES	0.93 times	1.16 times
19	CURRENTS ASSETS TO TOTAL LIABILITIES	1.27 times	1.25 times
20	AVAILABLE ASSETS TO CURRENT LIABILITIES	40.55 %	39.33 %
	CASH FLOW		
21	CASH FLOW FROM NET INCOME TO NET SALES	3.33 %	5.78 %
22	CASH FLOW FROM CHANGES IN WORKING CAPITAL TO NET SALES	1.34 %	3.28 %
23	CASH GENERATED (USED) IN OPERATING TO INTEREST PAID	2.30 times	2.60 times
24	EXTERNAL FINANCING TO CASH GENERATED (USED) IN FINANCING	0.00 %	0.00 %
25	INTERNAL FINANCING TO CASH GENERATED IN FINANCING	0.00 %	0.00 %
26	ACQUISITION OF PROPERTY, PLANT AND TO CASH GENERATED (USED) IN INVESTMENT ACTIVITIES	189.67 %	21.59 %

(**) IN THESE RATIOS FOR THE DATA TAKE INTO CONSIDERATION THE LAST TWELVE

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**

STOCK EXCHANGE CODREM
IEM, S.A. DE C.V.

QUARTER: 2

YEAR: 2002

**DATA PER SHARE
CONSOLIDATED FINANCIAL STATEMENT**

Final Printing

REF D	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR	QUARTER OF PREVIOUS FINANCIAL YEAR
		Amount	Amount
1	BASIC PROFIT PER ORDINARY SHARE (**)	\$ (0.04)	\$ 1.51
2	BASIC PROFIT PER PREFERENT SHARE (**)	\$ 0.00	\$ 0.00
3	DILUTED PROFIT PER ORDINARY SHARE (**)	\$ 0.00	\$ 0.00
4	CONTINUOUS OPERATING PROFIT PER COMUN- SHARE (**)	\$ 0.00	\$ 1.51
5	EFFECT OF DISCONTINUOUS OPERATING CONTINUOUS OPERATING PROFIT PER SHARE (**)	\$ 0.00	\$ 0.00
6	EFFECT OF EXTRAORDINARY PROFIT AND LOSS ON CONTINUOUS OPERATING PROFIT PER SHARE (**)	\$ 0.00	\$ 0.00
7	EFFECT BY CHANGES IN ACCOUNTING POLICIES CONTINUOUS OPERATING PROFIT PER SHARE (**)	\$ 0.00	\$ 0.00
8	CARRYING VALUE PER SHARE	\$ 11.46	\$ 11.59
9	CASH DIVIDEND ACUMULATED PER SHARE	\$ 0.00	\$ 0.00
10	DIVIDEND IN SHARES PER SHARE	0.00 shares	0.00 shares
11	MARKET PRICE TO CARRYING VALUE	0.00 times	0.00 times
12	MARKET PRICE TO BASIC PROFIT PER ORDINARY SHARE (**)	0.00 times	0.01 times
13	MARKET PRICE TO BASIC PROFIT PER PREFERENT SHARE (**)	0.00 times	0.00 times

(**) TO CALCULATE THE DATA PER SHARE USE THE NET INCOME FOR THE LAST TWELVE MONTHS.

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**

STOCK EXCHANGE CODE: IEM
IEM, S.A. DE C.V.

QUARTER: 2 YEAR: 2002

RELATIONS OF SHARES INVESTMENTS

ANNEX 3

CONSOLIDATED
Final Printing

COMPANY NAME (1)	MAIN ACTIVITIES	NUMBER OF SHARES	OWNERSHIP (2)	TOTAL AMOUNT (Thousands of Pesos)	
				ACQUISITION COST	PRESENT VALUE (3)
SUBSIDIARIES					
1 INDUSTRIAS IEM, S.A. DE C.V.	MANUFACTURING	29,499,908	99.61	29,385	183,767
TOTAL INVESTMENT IN SUBSIDIARIES				29,385	183,767
OTHER PERMANENT INVESTMENTS					0
TOTAL					183,767

NOTES

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**

STOCK EXCHANGE CODIEM
IEM, S.A. DE C.V.

QUARTER: 2 YEAR: 2002

**PROPERTY, PLANT AND EQUIPMENT
(Thousands of Pesos)**

ANNEX 4

**CONSOLIDATED
Final Printing**

CONCEPT	ACQUISITION COST	ACCUMULATED DEPRECIATION	CARRYING VALUE	REVALUATION	DEPRECIATION ON REVALUATION	CARRYING VALUE (-) REVALUATION (-) DEPRECIATION
DEPRECIATION ASSETS						
PROPERTY	2,928	234	2,694	273,741	247,762	28,673
MACHINERY	84,010	40,694	43,315	274,299	216,512	101,102
TRANSPORT EQUIPMENT	4,772	1,668	3,104	2,992	2,823	3,273
OFFICE EQUIPMENT	569	289	281	2,900	1,863	1,318
COMPUTER EQUIPMENT	16,922	9,631	7,291	5,230	3,531	8,990
OTHER	0	0	0	0	0	0
DEPRECIABLES TOTAL	109,201	52,516	56,685	559,162	472,491	143,356
NOT DEPRECIATION ASSETS						
GROUNDS	468	0	468	86,770	0	87,238
CONSTRUCTIONS IN PROCESS	40,940	0	40,940	0	0	40,940
OTHER	0	0	0	0	0	0
NOT DEPRECIABLE TOTAL	41,408	0	41,408	86,770	0	128,178
TOTAL	150,609	52,516	98,093	645,932	472,491	271,534

NOTES

Credit Type / Institution	Anortization Date	Rate of Interest	Denominated In Pesos	Anortization of Credits In Foreign Currency With National Entities (Thousands Of \$)					Anortization of Credits in Foreign Currency With Foreign Entities (Thousands Of \$)							
				Time Interval					Time Interval							
				Current Year	Until 1 Year	Until 2 Years	Until 3 Years	Until 4 Years	Until 5 Years	Current Year	Until 1 Year	Until 2 Years	Until 3 Years	Until 4 Years	Until 5 Years	
				More Than 1 Year	Until 1 Year	Until 2 Years	Until 3 Years	Until 4 Years	Until 5 Years	Current Year	Until 1 Year	Until 2 Years	Until 3 Years	Until 4 Years	Until 5 Years	
SUPPLIERS																
PROVEEDORES																
VARIOS			19,308	0	0	10,261	0	0	0	0	0	805	0	0	0	0
TOTAL SUPPLIERS			19,308	0	0	10,261	0	0	0	0	0	805	0	0	0	0
VARIOS			213,848	0	0	28,735	0	0	0	0	0	9,284	0	0	0	0
OTHER CURRENT LIABILITIES AND OTHER CREDITS			213,848	0	0	28,735	0	0	0	0	0	9,284	0	0	0	0
			233,156	0	0	38,996	0	0	0	0	0	10,089	0	0	0	0

NOTES

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**

STOCK EXCHANGE CODE: IEM
IEM, S.A. DE C.V.

QUARTER: 2 YEAR: 2002

**TRADE BALANCE AND MONETARY POSITION IN FOREIGN EXCHANGE
(Thousands of Pesos)**

ANNEX 6

CONSOLIDATED
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TRADE BALANCE	DOLARS (1)		OTHER CURRENCIES		TOTAL
	THOUSANDS OF DOLARS	THOUSANDS OF PESOS	THOUSANDS OF DOLARS	THOUSANDS OF PESOS	THOUSANDS OF PESOS
1. INCOME					
EXPORTS	1,763	16,493	0	0	16,493
OTHER	0	0	0	0	0
TOTAL	1,763	16,493			16,493
2. EXPENDITURE					
IMPORT (RAW MATERIALS)	6,360	60,039	1,288	12,129	72,168
INVESTMENTS	563	5,421	0	0	5,421
OTHER	87	818	0	0	818
TOTAL	7,010	66,278	1,288	12,129	78,407
NET BALANCE	(5,247)	(49,785)	(1,288)	(12,129)	(61,914)
FOREING MONETARY POSITION					
TOTAL ASSETS	1,254	12,484	0	0	12,484
LIABILITIES POSITION	2,918	29,063	81	805	29,868
SHORT TERM LIABILITIES POSITION	2,918	29,063	81	805	29,868
LONG TERM LIABILITIES POSITION	0	0	0	0	0
NET BALANCE	(1,664)	(16,579)	(81)	(805)	(17,384)

NOTES

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**

STOCK EXCHANGE CODE: IEM
IEM, S.A. DE C.V.

QUARTER: 2 YEAR: 2002

**INTEGRATION AND INCOME
CALCULATION BY MONETARY POSITION (1)
(Thousands of Pesos)**

ANNEX 7

**CONSOLIDATED
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MONTH	MONETARY ASSETS	MONETARY LIABILITIES	(ASSET) LIABILITIES MONETARY POSITION	MONTHLY INFLATION	MONTHLY (PROFIT) AND LOSS
JANUARY	238,949	220,510	18,439	0.92	(170)
FEBRUARY	248,536	221,320	27,216	0.06	17
MARCH	245,236	232,192	13,044	0.51	(67)
APRIL	298,149	267,229	30,920	0.55	(170)
MAY	264,749	248,621	16,128	0.20	(32)
JUNE	293,121	262,148	30,973	0.38	(118)
ACTUALIZATION:	0	0	0	0.00	(4)
CAPITALIZATION:	0	0	0	0.00	0
FOREIGN CORP.:	0	0	0	0.00	0
OTHER	0	0	0	0.00	0
TOTAL					(544)

NOTES

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: IEM
IEM, S.A. DE C.V.

QUARTER: 2 YEAR: 2002

BONDS AND MEDIUM TERM NOTES LISTING IN STOCK MARKET (1)

ANNEX 8

CONSOLIDATED
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FINANCIAL LIMITED BASED IN ISSUED DEED AND/OR TITLE

NOT APPLICABLE

ACTUAL SITUATION OF FINANCIAL LIMITED

NOT APPLICABLE

BONDS AND/OR MEDIUM TERM NOTES CERTIFICATE

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: IEM
IEM, S.A. DE C.V.

QUARTER: 2

YEAR: 2002

PLANTS, COMMERCE CENTERS OR DISTRIBUTION CENTERS

ANNEX 9

CONSOLIDATED
Final Printing

PLANT OR CENTER	ECONOMIC ACTIVITY	PLANT CAPACITY (1)	UTILIZATION (%)
INDUSTRIAS IEM, S.A. DE C.V.	MANUFACTURING, TRANSFORMERS, MOTORS AND ELECTRICAL PROTECTION EQUIPMENT	100	50

NOTES

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: IEM
IEM, S.A. DE C.V.

QUARTER: 2

YEAR: 2002

MAIN RAW MATERIALS

ANNEX 10

CONSOLIDATED
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DOMESTIC	MAIN SUPPLIERS	FOREIGN	MAIN SUPPLIERS	DOM. SUBST.	COST PRODUCTION (%)
COPPER	NAL CONDOC ELECTRIC				5.73
STEEL	SERVILAMINAS SUMMIT				11.91
OILS	ACEITES PROD. Y SERV				0.66
FOUNDRY	FUNDIDO METALES INDL				1.21
ISULATIONS	EHV WEIDMAN				3.05
OTHERS	VARIOS				10.69
		ACERO ELEC Y COMP	CONDUMEX INC	NO	23.30

NOTES

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: IEM
IEM, S.A. DE C.V.

QUARTER: 2 YEAR: 2002

SELLS DISTRIBUTION BY PRODUCT

ANNEX 11

DOMESTIC SELLS

CONSOLIDATED
Final Printing

MAIN PRODUCTS	TOTAL PRODUCTION		NET SELLS		MARKET SHARE (%)	MAIN	
	VOLUME	AMOUNT	VOLUME	AMOUNT		TRADEMARKS	COSTUMERS
ELECTRIC PRODUCTS	117	313,916 0 0	245 0 0	355,893	30.83	IEM	CFE, CLYF TELMEX, NACEL SELMEC, SIEMENS
TOTAL		313,916		355,893			

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: IEM
IEM, S.A. DE C.V.

QUARTER: 2 YEAR: 2002

SELLS DISTRIBUTION BY PRODUCT

ANNEX 11

FOREIGN SELLS
PAGE 2
CONSOLIDATED
Final Printing

MAIN PRODUCTS	TOTAL PRODUCTION		NET SELLS		DESTINATION	MAIN	
	VOLUME	AMOUNT	VOLUME	AMOUNT		TRADEMARKS	COSTUMERS
PRODUCTOS ELECTRICO		0 0 0	2 0 0	16,645	USA	IEM	GENERAL ELECTRIC ROSEN, MARATHON NEMSCO, ROGERS
TOTAL				16,645			

NOTES

ANNEX 12

CEDULE FOR THE DETERMINATION OF THE NET FISCAL EARNINGS ACCOUNT (NFEA)
(Thousands of Pesos)

NFEA BALANCE FOR PREVIOUS PERIOD FOR WHICH IS DETERMINED

NFEA BALANCE TO DECEMBER 31st OF : 2001

219,418

Number of shares Outstanding at the Date of the NFEA:

32,415,713

(Units)

☐

ARE THE FIGURES FISCALLY AUDITED?

☐

ARE THE FIGURES FISCALLY

DIVIDENDS COLLECTED IN THE PERIOD

QUARTER	SERIES	NUMBER OF SHARES OUTSTANDING	DATE OF SETTLEMENT	AMOUNT
0	0	0.00		0.00

DETERMINATION OF THE NFEA OF THE PRESENT YEAR

NFE FROM THE PERIOD FROM JANUARY 1 TO 31 OF DICIEMBRE OF 2001

FISCAL EARNINGS

0

- DETERMINED INCOME

0

+ DEDUCTED WORKER'S PROF

0

- DETERMINED WORKER

0

- DETERMINED RFE

0

- NON DEDUCTABLES

0

NFE OF PERIOD :

0

BALANCE OF THE NFEA AT THE END OF THE PERIOD

(Present year Information)

NFEA BALANCE TO 30 OF JUNIO OF 2002

225,188

Number of shares Outstanding at the Date of the NFEA:

32,415,713

(Units)

ANNEX 12
CEDULE FOR THE DETERMINATION OF THE NET FISCAL EARNINGS ACCOUNT (NFEA)
(Thousands of Pesos)

MODIFICATION BY COMPLEMENTARY

NFEA BALANCE TO DECEMBER 31st OF : 2001

Number of shares Outstanding at the Date of the NFEA :

(Units)

0

0

ANNEX 12 - A

CHEDULE FOR THE DETERMINATION OF THE NET FISCAL EARNINGS ACCOUNT REINVERTED (NFEAR)

(Thousands of Pesos)

NFEAR BALANCE FOR PREVIOUS PERIOD FOR WHICH IS DETERMINED

NFEAR BALANCE TO DECEMBER 31st OF: 2001

159,643

Number of Shares Outstanding at the Date of the NFEAR:
(Units)

32,415,713

☐ ARE FIGURES FISCALLY AUDITED?

☐ ARE FIGURES FISCALLY CONSOLIDATED?

DIVIDENDS PAIDOUT IN THE PERIOD THAT COMES FROM DE NFEAR

QUARTER	SERIES	NUMBER OF SHARES OUTSTANDING	DATE OF SETTLEMENT	AMOUNT
0	0	0.00		0.00

DETERMINATION OF THE NFEAR OF THE PRESENT YEAR

NFER FROM THE PERIOD

TO 30 OF JUNIO

OF 2002

FISCAL EARNINGS:

+ DEDUCTED WORKER'S PROFIT SHA

- DETERMINED INCOME TAX:

- NON-DEDUCTIBLES

0

0

0

0

-(+) EARNINGS (LOSS) FROM FOREIGN OF PROFIT:

DETERMINED RFE OF THE FISCAL YEAR

- INCOME TAX (DEFERED ISR):

* FACTOR TO DETERMINE THE NFEAR:

NFER FROM THE PERIOD

0

0

0

0

0

BALANCE OF THE NFEAR AT THE END OF THE PERIOD

NFEAR BALANCE TO :

30 OF JUNIO

OF 2002

163,842

Number of shares Outstanding at the Date of the NFEAR
(Units)

32,415,713

MODIFICATION BY COMPLEMENTARY

NFEAR BALANCE TO DECEMBER 31st OF: 2001

0

Number of shares Outstanding at the Date of the NFEAR
(Units)

0

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**

STOCK EXCHANGE CODBEM
IEM, S.A. DE C.V.

QUARTER:2

YEAR:2002

CONSOLIDATED
Final Printing

INTEGRATION OF THE PAID SOCIAL CAPITAL STOCK

CHARACTERISTICS OF THE SHARES

SERIES	NOMINAL VALUE	VALID CUPON	NUMBER OF SHARES				CAPITAL STOCK (Thousands of Pesos)	
			PORTION	PORTION	MEXICAN	SUSCRIPTION	FIXED	VARIABLE
A		0	2,550,000	13,982,014	16,532,014		1,274	6,726
B		0	2,450,000	13,433,699		15,883,699	1,226	6,462
TOTAL			5,000,000	27,415,713	16,532,014	15,883,699	2,500	13,188

TOTAL NUMBER OF SHARES REPRESENTING THE PAID-IN CAPITAL STOCK ON THE DATE OF SENDING THE INFORMATION :

32,415,713

SHARES PROPORTION BY :

CPO'S :
UNITS :
ADRS's :
GDRS's :
ADS's :
GDS's :

REPURCHASED OWN SHARES

SERIES	NUMBER OF SHARES	MARKET VALUE OF THE SHARE	
		AT REPURCHASE	AT QUARTER

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODBEM
IEM, S.A. DE C.V.

QUARTER:2


YEAR:2002

CONSOLIDATED
Final Printing

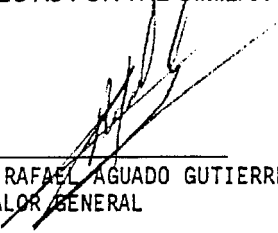
DECLARATION FROM THE COMPANY OFFICIALS RESPONSABLE FOR THE INFORMATION.

I HEREBY SWEAR THAT THE FINANCIAL INFORMATION HERE IN SUPPLIED TO THIS STOCK
CORRESPONDING TO THE PERIOD FROM 1 OF JANUARY TO 30 OF JUNE OF
2002 AND 2001 IS THAT OBTAINED FROM OUR AUTHORIZED ACCOUNTING REGISTERS AND IS
RESULT OF THE APPLICATION OF THE ACCOUNTING PRINCIPLES AND NORMS ACCEPTED AND STATED BY
MEXICAN INSTITUTE OF PUBLIC ACCOUNTANTS AND IN THE PROVISIONS OF THE MEXICAN NATIONAL
AND STOCK COMMISSION (COMISION NACIONAL BANCARIA Y DE

THE ACCOUNTING PRINCIPLES USED BY THIS COMPANY AND THE PROCESSING OF DATA FOR THE PERIOD
WHICH THE SAID INFORMATION REFERS WERE APPLIED USING THE SAME BASES AS FOR THE SIMILAR
OF THE PREVIOUS YEAR.



ING. ARMANDO RIMOLDI RENTERIA
DIRECTOR GENERAL



C.P. FERNANDO RAFAEL AGUADO GUTIERREZ
CONTRALOR GENERAL

TLALNEPANTLA, MEX, AT JULY 19 OF 2002

BOLSA MEXICANA DE VALORES, S.A. DE C.V.
(MEXICAN STOCK EXCHANGE)
SIFIC / ICS

STOCK EXCHANGE CODE: IEM

DATE: 19/07/2002 11:32

GENERAL DATA OF ISSUER

FIRM NAME	IEM, S.A. DE C.V.	
ADDRESS:	VÍA GUSTAVO BAZ Nº 340	
	COLONIA BARRIENTOS	
ZIP CODE:	54010	
	TLANEPANTLA, ESTADO DE MÉXICO	
TELEPHONE:	57 29 97 00	
		AUTOMATIC: X
FAX:	53 10 00 25	
E-MAIL:		
WEB SITE:		

FISCAL DATA OF ISSUER

COMPANY "RFC"	IEM8312144U6
ADDRESS:	VÍA GUSTAVO BAZ Nº 340
	COLONIA BARRIENTOS
ZIP CODE:	54010
	TLANEPANTLA, ESTADO DE MÉXICO

PERSON IN CHARGE OF PAYMENT

NAME:	MR. FERNANDO RAFAEL AGUADO GUTIERREZ. CPA
ADDRESS:	VÍA GUSTAVO BAZ Nº 340
	COLONIA BARRIENTOS
ZIP CODE:	54010
CITY AND STATE:	TLANEPANTLA, ESTADO DE MÉXICO
TELEPHONE:	57 29 97 00
FAX:	53 10 00 25
E-MAIL:	raguado@condumex.com.mx

DATA OF OFFICERS

MSM POSITION:	CHAIRMAN OF THE BOARD
POSITION:	CHAIRMAN OF THE BOARD
NAME:	MR. ARMANDO RIMOLDI RENTERÍA
ADDRESS:	VÍA GUSTAVO BAZ No 340
	COLONIA BARRIENTOS
ZIP CODE:	54010
	TLALNEPANTLA, ESTADO DE MÉXICO
TELEPHONE:	57 29 97 00
FAX:	53 10 00 25
E-MAIL:	diropese@condumex.com.mx

MSM POSITION:	GENERAL DIRECTOR
POSITION:	CHAIRMAN OF THE BOARD
NAME:	MR. ARMANDO RIMOLDI RENTERÍA
ADDRESS:	VÍA GUSTAVO BAZ No 340
	COLONIA BARRIENTOS
ZIP CODE:	54010
	TLALNEPANTLA, ESTADO DE MÉXICO
TELEPHONE:	57 29 97 00
FAX:	53 10 00 25
E-MAIL:	diropese@condumex.com.mx

BOLSA MEXICANA DE VALORES, S.A. DE C.V.
(MEXICAN STOCK EXCHANGE)
SIFIC / ICS

STOCK EXCHANGE CODE: IEM

DATE: 19/07/2002 11:32

MSM POSITION:	PERSON IN CHARGE OF SENDING QUARTERLY FINANCIAL INFORMATION
POSITION:	COMPTROLLER GENERAL
NAME:	MR. FERNANDO RAFAEL AGUADO GUTIERREZ. CPA
ADDRESS:	VÍA GUSTAVO BAZ N° 340 COLONIA BARRIENTOS
ZIP CODE:	54010
CITY AND STATE:	TLANEPANTLA, ESTADO DE MÉXICO
TELEPHONE:	57 29 97 00
FAX:	53 10 00 25
E-MAIL:	raguado@condumex.com.mx

MSM POSITION:	SECOND PERSON IN CHARGE OF SENDING QUARTERLY FINANCIAL INFORMATION
POSITION:	IEM ACCOUNTANT
NAME:	MRS. ALEJANDRA ROQUE VAZQUEZ CPA
ADDRESS:	VÍA GUSTAVO BAZ N° 340 COLONIA BARRIENTOS
ZIP CODE:	54010
CITY AND STATE:	TLANEPANTLA, ESTADO DE MÉXICO
TELEPHONE:	57 29 97 00
FAX:	53 10 00 25
E-MAIL:	

MSM POSITION:	HEAD OF THE LEGAL DEPARTMENT
POSITION:	LEGAL GENERAL MANAGER
NAME:	MR. JOSE RAMON NEVAREZ JACQUES
ADDRESS:	MIGUEL DE CERVANTES SAAVEDRA N° 255 COLONIA AMPLIACIÓN GRANADA.
ZIP CODE:	11520 MÉXICO, D.F.
TELEPHONE:	52 50 50 77
FAX:	53 28 58 91
E-MAIL:	jrnevarez@condumex.com.mx

MSM POSITION:	SECRETARY OF THE BOARD OF DIRECTORS
POSITION:	SECRETARY OF THE BOARD OF DIRECTORS
NAME:	MR. ALEJANDRO ARCHUNDIA BECERRA
ADDRESS:	MIGUEL DE CERVANTES SAAVEDRA N° 255 COLONIA AMPLIACIÓN GRANADA
ZIP CODE:	11520 MÉXICO, D.F.
TELEPHONE:	52 50 50 77
FAX:	52 55 16 86
E-MAIL:	aarchunida@condumex.com.mx

MSM POSITION:	CLEARED TO FORWARD INFORMATION VIA EMISNET
POSITION:	COMPTROLLER GENERAL
NAME:	MR. FERNANDO RAFAEL AGUADO GUTIERREZ. CPA
ADDRESS:	VÍA GUSTAVO BAZ N° 340 COLONIA: BARRIENTOS
ZIP CODE:	54010
CITY AND STATE:	TLANEPANTLA, ESTADO DE MÉXICO

BOLSA MEXICANA DE VALORES, S.A. DE C.V.
(MEXICAN STOCK EXCHANGE)
SIFIC / ICS

STOCK EXCHANGE CODE: IEM

DATE: 19/07/2002 11:32

TELEPHONE: 57 29 97 00
FAX: 53 10 00 25
E-MAIL: raguado@condumex.com.mx

MSM POSITION: CLEARED TO FORWARD RELEVANT EVENTS VIA EMISNET
POSITION: COMPTROLLER GENERAL
NAME: MR. FERNANDO RAFAEL AGUADO GUTIERREZ. CPA
ADDRESS: VÍA GUSTAVO BAZ N° 340
COLONIA: BARRIENTOS
ZIP CODE: 54010
CITY AND STATE: TLANEPANTLA, ESTADO DE MÉXICO
TELEPHONE: 57 29 97 00
FAX: 53 10 00 25
E-MAIL: raguado@condumex.com.mx

BOLSA MEXICANA DE VALORES, S.A. DE C.V.
(MEXICAN STOCK EXCHANGE)
SIFIC / ICS

STOCK EXCHANGE CODE: IEM
IEM, S.A. DE C.V.

QUARTER: 2

YEAR: 2002

REPORT FROM THE DIRECTOR GENERAL (1)

(Discussion and Analysis from the Director General regarding the Financing Situation and Income of the Company's Operation)

ANNEX 1

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SALES FOR 2001 WERE 626.8 MILLION PESOS, AS OF DECEMBER 2001, MEANING A REAL TERM DECREASE OF 46.8%, AGAINST THE PREVIOUS YEAR. SAID DECREASE WAS MAINLY EVIDENT IN THE TRANSFORMERS PRODUCTION LINE DUE TO AN INCREASING OPENING OF THE ELECTRIC SECTOR IN PURCHASING ABROAD, WHICH MAKES IT MORE DIFFICULT AND COMPLICATED GETTING ORDERS, AS WELL AS THE DELAY IN THE BIDS FOR "COMISION FEDERAL DE ELECTRICIDAD" AND "COMPAÑÍA DE LUZ Y FUERZA DEL CENTRO".

FORTUNATELY, VERY IMPORTANT ORDERS WERE OBTAINED IN THE SECOND HALF OF THE YEAR FOR TRANSFORMERS FOR SEVERAL "PIDIREGAS", HENCE SUBSTANTIALLY INCREASING NEXT YEAR'S INVOICING.

THE YEAR'S OPERATING PROFIT WAS 18.4 MILLION PESOS, AS OF DECEMBER 2001, AND MEANT 2.9% OF SALES. IN THE YEAR 2000, IN PESOS OF DECEMBER 2001, THE AMOUNT WAS 216.8 MILLION AND MEANT 18.4% OF SALES. 2001 SAW A 91.5% DECREASE IN REAL TERMS, MAINLY DUE TO A DECREASE IN THE SALES VOLUME AND ALSO A DECREASE IN PRICING, CAUSED BY THE VERY STRONG FOREIGN COMPETITION.

THE FINANCING INTEGRAL COST WAS 11.9 MILLION PESOS IN PESOS OF DECEMBER 2001, WHICH, COMPARED WITH 35.9 MILLION PESOS OF THE PREVIOUS YEAR IN PESOS OF 2001, MEAN A 66.9% DECREASE IN REAL TERMS, MAINLY CAUSED BY THE REDUCTION IN INTEREST RATES AND THE REVALUATION OF THE MEXICAN PESO, AGAINST THE US DOLLAR, DURING THE YEAR.

THE COMPANY ACKNOWLEDGED THE DEFERRED INCOME TAX, REGARDING FIXED ASSETS, CONSIDERING THAT THE PERCENTAGES TO BE APPLIED IN THE ESTIMATED YEARS WILL BE DEDUCTIBLE AND/OR CUMULATIVE IN COMPLIANCE WITH THE MODIFICATION SET IN THE INCOME TAX LAW, WHERE IT IS STATED THAT FOR 2002, THE GENERAL RATE WILL CONTINUE BEING 35% AND WILL BE GRADUALLY REDUCED IN 1% A YEAR UNTIL 32% FOR THE YEAR 2005.

THE YEAR'S NET PROFIT WAS 6.5 MILLION PESOS, 92.2% LESS THAN IN THE PREVIOUS YEAR.

NO OTHER VALUES HAVE BEEN REGISTERED IN THE "RNVI"; THE JUDICIAL AND FINANCIAL INFORMATION HAS BEEN TIMELY SUBMITTED, IN COMPLIANCE WITH THE LAW.

THERE HAVE BEEN NO CHANGES, NOR MODIFICATIONS IN ANY OF THE VALUES REGISTERED IN THE "RNVI".

BOLSA MEXICANA DE VALORES, S.A. DE C.V.
(MEXICAN STOCK EXCHANGE)
SIFIC / ICS

STOCK EXCHANGE CODE: IEM
IEM, S.A. DE C.V.

QUARTER: 2

YEAR: 2002

COMPLEMENTARY REMARKS REGARDING THE FINANCIAL SITUATION (1)

ANNEX 2

CONSOLIDATED

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

THE ENCLOSED FINANCIAL STATEMENTS HAVE BEEN PREPARED IN COMPLIANCE WITH THE GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN MEXICO ("PCGA"). SAID PCGA REQUIRE THE FINANCIAL STATEMENTS TO BE EXPRESSED IN CONSTANT MEXICAN PESOS ON THE LATEST DATE SUBMITTED IN THE FINANCIAL STATEMENTS.

A. CASH AND CASH EQUIVALENT – THE COMPANY CONSIDERS AS CASH EQUIVALENT, ALL POSSIBLE INVESTMENTS WITH A LESS THAN THREE MONTHS MATURITY TERM. FROM THE DATE OF THE CORRESPONDING CLOSING OF SAME AND ARE EXPRESSED AT COST PRICE PLUS EARNED INTERESTS.

B. INVENTORIES – INVENTORIES ARE APPRAISED AT REPLACEMENT COST OR MARKET COST, WHICH EVER IS LOWER. SALES COST IS ADJUSTED ACCORDING TO RESTATED VALUE OF INVENTORIES, ACCORDING TO THE DATES OF SALES.

C. ESTATES, MACHINERY AND EQUIPMENT – ALL DOMESTIC ESTATES, MACHINERY AND EQUIPMENT ARE EXPRESSED AT RESTATED VALUE, DETERMINED ACCORDING TO THE APPLICATION TO ITS DECEMBER 1996 REPLACEMENT NET VALUE, DETERMINED BY INDEPENDENT EXPERTS, OR AT PURCHASING COST FROM FACTORS DERIVED FROM THE "INPC". ALL FOREIGN MACHINERY AND EQUIPMENT ARE APPRAISED BY MEANS OF THE SPECIFIC INDEXATION METHOD, USING THE COUNTRY OF ORIGIN'S INFLATION RATE FOR EVERY EQUIPMENT, AS WELL AS THE CURRENT EXCHANGE RATE AT BUSINESS YEAR-END.

WHATEVER THE CASE MAY BE. DEPRECIATION IS CALCULATED BY MEANS OF THE STRAIGHT LINE METHOD BASED ON USEFUL LIFE SPANS, CONSIDERING A PERCENTAGE OF DISCARDED VALUE.

D. STOCKHOLDERS INVESTMENTS – THE COMPONENTS OF THE STOCKHOLDERS INVESTMENT IS RESTATED BY MEANS OF FACTORS DERIVED FROM THE "INPC".

E. MONETARY STANDING INCOME – IT REPRESENTS THE PROFIT OR LOSS DUE TO INFLATION OVER THE MONETARY ASSETS AND LIABILITIES AND ARE INCLUDED IN THE COMPLETE FINANCIAL COST.

F. TRANSACTIONS IN FOREIGN CURRENCY – TRANSACTIONS IN FOREIGN CURRENCY ARE LOGGED ACCORDING TO THE APPLICABLE EXCHANGE RATES ON THE DATE OF THEIR REALIZATION. THE FOREIGN CURRENCY MONETARY ASSETS AND LIABILITIES BALANCES ARE EXPRESSED IN NATIONAL CURRENCY AT THE APPLICABLE EXCHANGE RATES IN FORCE ON THE DATE OF THE BALANCE SHEET. THE DIFFERENCES CAUSED BY FLUCTUATIONS IN THE EXCHANGE RATES BETWEEN THE REALIZATION DATES OF THE TRANSACTIONS AND THEIR SETTLE OR APPRAISAL UPON THE CLOSING OF THE BUSINESS YEAR ARE CHARGED TO THE FINANCING TOTAL COST.

G. LABOR OBLIGATIONS – BOTH THE NON-SYNDICATED PERSONNEL'S SENIORITY BONUSES AND THE RETIREMENT AND DEATH OR DISABILITY COSTS ARE HONORED DURING THE YEARS OF SERVICE OF THE PERSONNEL, ACCORDING TO ACTUARIAL CALCULATIONS.

ALL PAYMENTS BASED ON SENIORITY WORKERS MAY BE ENTITLED TO, IN CASE OF SEPARATION OR DEATH, ARE TRANSFERRED TO THE BUSINESS YEAR INCOME WHEN THEY ARE PAID.

BOLSA MEXICANA DE VALORES, S.A. DE C.V.
(MEXICAN STOCK EXCHANGE)
SIFIC / ICS

STOCK EXCHANGE CODE: IEM
IEM, S.A. DE C.V.

QUARTER: 2

YEAR: 2002

COMPLEMENTARY REMARKS REGARDING THE FINANCIAL SITUATION (1)

ANNEX 2

PAGE 2
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H. DEFERRED TAXES – AS OF 1 JANUARY 2000, THE COMPANY ADOPTED THE SET IN THE NEW D-4 BULLETIN “ACCOUNTING TREATMENT ON INCOME, ASSETS, AND WORKERS PROFIT SHARING TAXES” ISSUED BY THE MEXICAN PUBLIC ACCOUNTANTS INSTITUTE (“IMCP”), AS A RESULT OF THE ABOVEMENTIONED, THE COMPANY CHANGED FROM THE PARTIAL PASSIVE METHOD TO THE WHOLE ASSETS AND PASSIVE ONE, WHICH DETERMINES THE DEFERRED INCOME TAX, BY APPLYING THE CORRESPONDING INCOME TAX RATE TO THE TEMPORARY DIFFERENCES BETWEEN THE ACCOUNTING FISCAL OF ASSETS AND LIABILITIES, ON THE DATE OF THE FINANCIAL STATEMENTS.

I. WHOLE EARNINGS – AS OF 31 JANUARY 2001, THE B-4 BULLETIN “WHOLE EARNINGS” WAS IN FORCE, REQUIRING THAT THE DIFFERENT CONCEPT OF THE EARNED CAPITAL (LOST) DURING THE BUSINESS YEAR, BE SHOWN IN THE STOCKHOLDERS INVESTMENT STATEMENT OF CHANGES, AS WHOLE EARNINGS, HENCE RESTRUCTURING SAME FOR THE PURPOSE OF COMPARING THE DIFFERENT ITEMS.

J. ACKNOWLEDGEMENT OF INCOME – INCOME IS ACKNOWLEDGED WHEN THE PRODUCT IS SHIPPED TO THE DIFFERENT DISTRIBUTORS AND/OR CUSTOMERS.

K. LONG TERM AND INTANGIBLE ASSETS – THE COMPANY PERIODICALLY APPRAISES THE LOSS CAUSED BY A DECREASE IN THE LONG TERM VALUE OF ASSETS. LONG TERM ASSETS ARE REVIEWED DUE TO A LOSS OF VALUE WHEN EITHER EVENTS OR CHANGES OF CIRCUMSTANCES SHOW THAT THE VALUE SHALL NOT BE RECOVERED.

BUSINESS CONCENTRATION – AN IMPORTANT PART OF THE COMPANY’S INCOME ARE GENERATED BY THE ELECTRIC POWER INDUSTRY.

PROPERTIES, PLANT AND EQUIPMENT. SEE ANNEX 4.

3. - STOCK EXCHANGE CREDITS.

THERE ARE NO STOCK EXCHANGE CREDITS AS OF 31 MARCH, 2002.

4.- CONTINGENT LIABILITY.

THE SUBSIDIARY COMPANY HAS PLANS FOR THE PAYMENT OF RETIREMENT PENSIONS AND DEATH OR TOTAL DISABILITY, FOR ALL ITS NON SYNDICATED PERSONNEL, IN COMPLIANCE WITH THE FEDERAL LABOR LAW AND WITH WHAT IS STATED IN THE LABOR CONTRACTS.

PAYMENTS FOR SENIORITY PREMIUMS AS WELL AS THE PENSION PLANS ARE DETERMINED BASED ON THE EMPLOYEE’S COMPENSATION ON HIS/HER RETIREMENT DATE, AND ALSO ON THE YEARS OF SERVICE.

AS OF 31 DECEMBER, 2001, THE AMOUNT FOR BENEFITS FORECASTED REGARDING COMPENSATIONS UPON THE RETIREMENT OF THE PERSONNEL, WHICH IS DETERMINED BY ACTUARIES, IS ANALYZED AS FOLLOWS:

BOLSA MEXICANA DE VALORES, S.A. DE C.V.
(MEXICAN STOCK EXCHANGE)
SIFIC / ICS

STOCK EXCHANGE CODE: IEM
IEM, S.A. DE C.V.

QUARTER: 2

YEAR: 2002

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	THOUSANDS OF MEXICAN PESOS
LIABILITIES FOR CURRENT BENEFITS	(72,557)
COMPLEMENTARY AMOUNT FOR BENEFITS FORECASTED	(5,459)

LIABILITIES FOR BENEFITS FORECASTED	(78,016)
 MINUS	
ASSETS OF THE PLAN	70,201
TRANSITION LIABILITIES	226
VARIATIONS IN ASSUMPTIONS AND EXPERIENCE ADJUSTMENTS	11,261

NET FORECASTED ASSETS	3,672

THE FUND DETERMINED BY MEANS OF A TRUST, IN ORDER TO COMPLY WITH THE LIABILITIES CORRESPONDING TO THE PENSION PLAN AND SENIORITY PREMIUM AMOUNTS TO \$ 70,201, AS OF 31 DECEMBER, 2001.

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5.- STOCKHOLDERS EQUITY

THE RESTATEMENT EFFECTS OF THE STOCKHOLDERS' EQUITY ARE SHOWN NEXT

	2002		2001	
CAPITAL STOCK	15,688		15,688	
RESTATEMENT	538,199	553,887	538,199	553,887
	-----		-----	
LEGAL RESERVE	3,138		3,138	
RESTATEMENT	26,214	29,352	26,214	29,352
	-----		-----	
PROFIT IN PREVIOUS YEARS	236,793		236,793	
RESTATEMENT	75,730	312,523	75,957	312,750
	-----		-----	
PROFIT OF THE YEAR	2,570		10,009	
RESTATEMENT	0	2,750	483	10,492
	-----		-----	
INSUFFICIENCY IN				
RESTATEMENT OF CAPITAL		(526,986)		(530,813)
		-----		-----
		371,346		375,668

6.- RESERVE FOR THE REPURCHASE OF SHARES OF STOCK.
 THERE IS NO SUCH RESERVE AS OF 30 JUNE, 2002.

7.- INTEGRAL FINANCING COST.

INTERESTS PAID ARE NOT COMPOUNDED AND GO DIRECTLY TO INCOME, AS PART OF THE INTEGRAL FINANCING COST.

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8.- DEFERRED TAXES.

AS OF 1 JANUARY, 2000, WHEN THE TERM OF CONTRACT BECAME EFFECTIVE, THE COMPANIES COMPLIED WITH WHAT IS STATED IN THE NEW REVISED D-4 BULLETIN, "ACCOUNTING TREATMENT OF THE INCOME TAX, THE ASSETS TAX AND THE WORKERS PROFIT SHARING", ISSUED BY THE MEXICAN INSTITUTE OF PUBLIC ACCOUNTANTS.

AS A RESULT OF THE ABOVEMENTIONED, FOR THE ACKNOWLEDGEMENT OF THE DEFERRED INCOME TAX, THE COMPANY CHANGED FROM THE PARTIAL PAYABLE METHOD TO THE INTEGRAL RECEIVABLE AND PAYABLE ONE THAT CONSISTS IN DETERMINING THE DEFERRED INCOME TAX, BY MEANS OF THE APPLICATION OF THE CORRESPONDING INCOME TAX RATE, TO THE DIFFERENCES BETWEEN THE ACCOUNTING AND FISCAL VALUE OF THE ACCOUNTS RECEIVABLE AND PAYABLE - TEMPORARY DIFFERENCES - ON THE DATE OF THE FINANCIAL STATEMENTS. IN COMPLIANCE WITH THE BULLETIN, THE ACCUMULATED EFFECT AS OF 1 JANUARY, 2000, WAS DIRECTLY APPLIED TO THE STOCKHOLDERS' EQUITY.

AS OF 30 JUNE, 2002, THE MAIN TEMPORARY DIFFERENCES WHERE THE DEFERRED INCOME TAX IS ACKNOWLEDGED, ARE ANALYZED AS FOLLOWS (IN THOUSANDS OF PESOS):

INVENTORIES	\$ 102,611
REAL ESTATE, PLANT AND EQUIPMENT - NET	135,187
ADVANCES TO CUSTOMERS	(61,128)
RESERVES AND OTHERS	19,843
FISCAL LOSS FROM PERIOD	(29,645)

	166,868
INCOME TAX RATE	35%

DEFERRED INCOME TAX PAYABLE	58,404
DEFERRED PROFIT SHARING PAYABLE	3,734
RATE DIFFERENCE EFFECT	(4,230)

TOTAL DEFERRED TAXES PAYABLE	\$ 57,908

9.- EXTRAORDINARY ENTRIES.

THERE ARE NO EXTRAORDINARY ENTRIES, AS OF 30 JUNE, 2002.

10.- DISCONTINUED OPERATIONS

AS OF 30 JUNE, 2002, NO SEGMENT OF THE BUSINESS, NEITHER GEOGRAPHIC NOR DUE TO ACTIVITIES HAS BEEN SOLD OR ABANDONED.

11.- EFFECT AT THE BEGINNING OF THE YEAR DUE TO CHANGES IN ACCOUNTING PRINCIPLES.

THERE HAS BEEN NONE, AS OF 30 JUNE, 2002.

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12.- NET MONTHLY INCOME (HISTORICAL AND CURRENT)

MONTH		NAI	NMI	INDEX	INDEX	NMIC
JANUARY	02	(910)	(910)	360.283	354.662	(923)
FEBRUARY		(3,902)	(2,992)	360.283	354.434	(3,041)
MARCH		525	4,427	360.283	356.247	4,477
APRIL		8,449	546	360.283	358.193	(3,891)
MAY		8,045	(405)	360.283	358.919	4,531
JUNE		9,905	1,860	360.283	360.283	1,417
JULY	01	11,677	1,772	360.283	342.801	1,862
AUGUST		11,159	(518)	360.283	344.832	(541)
SEPTEMBER		9,957	(1,457)	360.283	348.042	(1,508)
OCTOBER		6,892	(2,810)	360.283	349.615	(2,896)
NOVEMBER		4,992	(1,899)	360.283	350.932	(1,950)
DECEMBER		6,182	1,190	360.283	351.418	1,220

13.- FINANCIAL POSITION STATUS, WITHOUT CONSOLIDATING OTHER CONCEPTS.

SINCE THE COMPANY HOLDS STSOCK, IT LACKS A FUND CAPTION FOR PENSIONS OR SENIORITY PREMIUM.

14.- INTERESTS PAID IN CONSOLIDATED INCOME STATEMENTS.

ALL INTERESTS PAID CORRESPOND TO LOANS WITH GRUPO CONDUMEX, AND HENCE ARE NOT BANKING CREDITS NOR STOCK EXCHANGE TRANSACTIONS.